

Environmental Assessment

DATCP's Portion of the 2022 Joint Preliminary Allocation Plan

September 2021

I. The Nature and Purpose of the Proposed Action

Each year the Department of Agriculture, Trade and Consumer Protection (DATCP), together with the Department of Natural Resources (DNR), allocates grant funds to counties and others for the purpose of supporting county conservation staff, landowner cost-sharing and other soil and water resource management (SWRM) activities. DATCP funds are allocated in accordance with ch. 92, Stats., and ch. ATPC 50, Wis. Adm. Code. Counties are required to have DATCP-approved land and water resource management (LWRM) plans as an eligibility condition for grants. The details of DATCP's proposed action are set forth in charts and tables in the 2022 Joint Allocation Plan that accompanies this Environmental Assessment.

II. The Environment Affected by the Proposed Action

As further explained in Section III.A., the DATCP grant program operates in every county, potentially covering all of Wisconsin's 34.8 million acres. While the program can fund a range of activities that protect surface and ground waters throughout the state, grant funds are primarily used to protect rural areas and install conservation practices on farms, which now account for less than 40% of Wisconsin's land base (14.3 million acres). Ultimately each county's LWRM plan determines the nature and scope of conservation activities in the area and the natural resources impacted by DATCP funds.

III. Foreseeable Environmental Effects of the Proposed Action

A. Immediate Effects

The environmental effects of the proposed allocation plan are positive. Through support for conservation staff and landowner cost-sharing, the proposed allocation plan will result in actions on farms and other areas that reduce soil erosion, prevent farm runoff, better soil health, improve management of manure and other nutrients, and minimize pollution of surface and ground water.

For the 2021-2023 biennium, the annual funding for conservation staff and other conservation cooperators has been increased to \$11,030,000 for 2022 and \$11,280,000 for 2023, allowing DATCP to secure statewide capacity to deliver a wide range of conservation and water quality programs. DATCP staffing grants enable counties to hire and retain conservation staff who have the experience and technical skills required to implement county resource management plans, including the state agricultural performance standards; facilitate landowner participation in state and federal cost-share programs; and ensure cross-compliance of farmers in the farmland preservation program (FPP). By funding special projects that support conservation implementation, DATCP is filling critical needs in areas such as technical standards development, nutrient management support, training, and coordination between the public and private sector. As discussed later, funding for county conservation staff has not kept up with the demand which is fueled by expanding programs such as

producer-led watershed councils and phosphorus and nitrate management, and the persistence of intractable ground and surface water issues throughout the state.

Each year, counties use cost-share funds to address state and local priorities identified in their local plans. Work plan and reporting requirements discussed later will provide a clearer picture of county efforts and facilitate reporting of county accomplishments.

Cost-share funds translate into tangible conservation practices that produce documentable results in controlling runoff pollution and improving water quality. In 2019 and 2020, counties spent about \$5.4 million in DATCP funds to install cost-shared practices Table A highlights the top conservation practices DATCP cost-share spent by counties in 2019 and 2020.

Conservation Practice	2019 Cost-Share Dollars Spent (in millions)	2019 Units of Practice Installed	2020 Cost-Share Dollars Spent (in millions)	2020 Units of Practice Installed
Nutrient Management Plans	2.2	57,525 acres	1.3	34,664 acres
Waterway Systems	0.50	412 acres	0.65	216 acres
Manure Storage	0.15	7 systems	0.21	7 systems
Barnyard Runoff Control	0.22	6 systems	0.09	6 systems
Streambank and Shoreline Protection	0.45	27,839 feet	0.64	34,837 feet
Grade Stabilization	0.36	48 structures	0.29	41 structures
Closure of Manure Storage System	0.23	34 closed	0.39	51 closed
Cover and Green Manure	0.03	1,543 acres	0.06	1,964 acres

The following developments are worth mentioning with respect to expenditures of cost-share funds in 2020 compared to 2019 expenditures:

- An increase in the acres cost-shared for cover crops
- A significant increase in number of manure storage closures
- A decrease in NM plans cost-shared

B. Long-Term Effects

Over time, DATCP's annual financial support of county staff and other project cooperators has built and sustained a statewide conservation infrastructure that delivers the following reinforcing benefits:

- Outreach and education that results in positive behavioral changes;
- Development of conservation technologies such as SNAP Plus and the Manure Advisory System, and the training systems to effectively use these technologies;
- Technical and engineering assistance that ensures proper design and installation of conservation practices;

- Resource management planning that addresses local and state priorities, with an emphasis on annual work planning and reporting;
- Permitting and other regulation of livestock farms that requires properly designed manure storage and nutrient management plans;
- Farmland Preservation Program (FPP) administration that protects valuable resources and promotes conservation compliance;
- Producer-Led watershed administration and technical assistance.

DATCP cost-share grants are critical in helping landowners meet their individual needs and essential to overall efforts to make progress in achieving broader water quality goals. Most farmers are not required to meet state runoff control standards without cost-sharing. Long-term state commitment to farmer cost-sharing determines the extent to which conservation practices are installed, and ultimately the degree to which water quality is improved. When multiple conservation practices are installed in a watershed or other area over time, the combined effect of these practices can result in marked water quality improvements.

Fully assessing the long-term benefits, however, is complicated for a number of reasons including the fact that DATCP's grant program operates within a collection of conservation and natural resource programs. See Section III.E. for more a detailed discussion.

C. Direct Effects

DATCP cost-share grants result in the installation of conservation practices and capital improvements on rural and agricultural lands for the purpose of protecting water quality and improving soil health. Grants to counties and others also secure access to technical or other assistance that supports conservation efforts, including conservation education and nutrient management planning.

D. Indirect Effects

Installed conservation practices not only improve resources in the immediate area, but benefit surrounding areas, including resources located downstream from the installed practice. For example, nutrient management and cropping practices implemented on fields upstream from a lake reduce sediment and nutrients that would otherwise be deposited in surface waters, and can provide additional protection for groundwater. Installed practices may have secondary benefits at a site, such as shoreline buffers, which not only serve to control runoff and impede erosion, but may increase wildlife habitat.

DATCP policies and rules mitigate secondary impacts from the installation and maintenance of conservation practices. DATCP policies ensure that counties evaluate cultural resource impacts of a project before any land-disturbing activities are initiated. To minimize erosion from excavation and construction projects, such as a manure storage facility or barnyard runoff control system, DATCP rules require landowners to implement measures to manage sediment runoff from construction sites involving DATCP cost-shared practices. Adverse environmental impacts may result from improper design and installation of practices. DATCP rules avoid this outcome by requiring the design and construction of cost-shared projects according to established technical standards. Improper

maintenance can undermine the benefits of a long-term conservation practice. By requiring that landowners maintain conservation projects installed with DATCP cost-share dollars, DATCP ensures that practices perform in the long-term as intended.

In rare cases, certain negative impacts are unavoidable. For example, unusual storm events can cause manure runoff from the best-designed barnyard. Unavoidable impacts may also arise if a cost-shared practice is not maintained or is improperly abandoned. Manure storage facilities that are not properly abandoned or emptied may present a water quality threat, unless they are closed in accordance with technical standards.

Overall, the positive benefits of reducing nonpoint runoff through conservation measures significantly outweigh the slight risks associated with the installation and maintenance of conservation practices.

E. Cumulative Effects

While it is difficult to accurately gauge the cumulative effects of this action, it is clear that SWRM grant funds play an integral part in supporting a comprehensive framework of federal, state, and local resource management programs. With the increase to the staffing allocation for the 2021-2023 biennium, DATCP is able to lend support for 207 of the 370 conservation employees in the state's 72 counties, enabling DATCP grant funds to secure the foundation necessary to deliver a myriad of conservation programs, which among other accomplishments, achieved the following:

In 2020, the Natural Resources Conservation Service (NRCS) provided \$64 million for conservation programs including \$31 million in Environmental Quality Incentives (EQIP) payments to install conservation practices with the top four expenditures related to cover crops (\$6.3 million), woody residue treatment (\$2.5 million), waste storage facility (\$2.1 million), pond sealing or lining (\$1.8 million), and roofs and covers (\$1.4 million).

The conservation reserve enhancement program (CREP) protects important soil and water resources while allowing landowners to make use of valuable adjacent agricultural lands. As of the beginning of 2021, about 70,070 acres were enrolled under CREP agreements and easements: with 7,161 acres under CREP easements and the remainder under CREP 15-year agreements. Of those enrollments 40,475 acres are currently under active agreements. The conservation benefits of the practices installed on the active agreements (e.g. riparian buffers and filter strips) are as follows: 793 miles of streams buffered with an estimated phosphorus annual removal of 87,980 pounds, nitrogen annual removal of 47,339 pounds and sediment removal of 43,771 tons.

DNR continued annual funding in 2021 for Targeted Runoff Management Projects, providing over \$5 million to counties for cost-sharing fourteen small scale and seven large scale projects. DNR set aside \$1.5 million for farms issued a notice of discharge. DNR continued annual funding in 2021 for Urban Nonpoint Source and Storm Water Construction Projects, providing over \$68 thousand to counties for cost-sharing two projects.

Table B: DNR Funding 2021		
Program	Number of Projects	Sum of Total Amount Awarded
Large-scale TRM	7	\$2,628,620
Small-scale TRM	14	\$2,451,110
Urban Storm Water Construction	2	\$68,250

Through the Producer-Led Watershed Protection grant program, DATCP has offered support to twenty-three producer-led groups around the State, awarding over \$2.4 million since the program's inception in 2016.

Assessing the full extent of the effects of grant funding is complicated by a number of factors including complex interactions and far-reaching impacts of grant funding. For example, conservation activities funded by DATCP can dampen the potential negative environmental impacts of actions driven by farm policies and economics. In particular, the risks of cropland soil erosion have increased as a result of conditions that favor increased cash grain/row cropping, and the increased market incentives to grow these crops. In addition, efforts funded through SWRM grants have helped mitigate flooding impacts which have been prevalent in recent years.

IV. Persons, Groups, and Agencies Affected by the Activity

A. Those Directly Affected

County Conservation Programs and Cooperators: The proposed allocation plan provides funding to support 72 county conservation programs. The increase to the staffing grant allocation for the 2021-2023 biennium will enable DATCP to completely support one employee per program, and up to 98.6% of the second position (funded at 70%). The increase to the staffing grant funding will currently expire after the 2021-2023 biennium, which, if not renewed, would lead to a decrease of close to \$500,000 in available funds for staffing. And even with the increase, the DATCP awards fall short of funding three staff per county at the prescribed rates in s. 92.14(6)(b), Stats, providing 82% of the costs to support county conservation staff. DATCP grants are one of several sources for cost-share funds that include county levies, DNR grants and NRCS funding. DATCP grants also fund private and public entities to provide statewide support for implementing conservation programs or provide special services to promote conservation statewide. DATCP funding for training and professional development is critical to maintaining county capacity to deliver high quality technical services, and reflects a state commitment to build the capacity of conservation staff statewide. With the 2021 Allocation, DATCP introduced Innovation Grants to encourage counties to reach out in new ways to landowners, building from the success of the Monroe County AEA pilot project in 2020.

Landowners who are direct beneficiaries: Farmers and other landowners rely on many services, such as technical assistance provided by conservation staff funded with DATCP grants. They also benefit from cost-share dollars to install conservation practices. Long-term use of some conservation practices, such as nutrient management planning, may have a positive impact on the finances of a

landowner by helping plan needed purchases to maximize the yield of a field while minimizing additional fertilizers and pesticides required.

Other county residents: County residents benefit from resource management planning, permitting and other services provided by county conservation staff funded through DATCP grants. Through information and education efforts, for example, a county can help non-farm residents better manage lawn fertilizers, encourage diversity in lawns, improve backyard wildlife habitat, control invasive species and minimize construction site erosion.

Farm-related businesses: Farm supply organizations, nutrient management planners, soil testing laboratories, agricultural engineers, and construction contractors benefit from state grants to counties. Landowners who receive cost-sharing purchase goods and services from these entities.

B. Those Significantly Affected

The allocation benefits those landowners whose soil and water resources are improved or protected as a consequence of the activities funded by DATCP. The benefits may include protection of drinking water and improving soil health. Landowners with properties located "downstream" of lands with nutrient and sediment delivery runoff problems also benefit from conservation practices that reduced these problems. Certain measures, such as nutrient management plans and protective cropping practices, can help protect drinking water wells that serve neighboring landowners and communities. The general public benefits from conservation practices that protect water resources, and promote natural resources.

V. Significant Economic and Social Effects of the Proposed Action

On balance, DATCP's proposed action will have positive economic and social effects. DATCP grants support cost-sharing and technical assistance that enable farmers and other landowners to meet their conservation responsibilities and maintain eligibility for state and federal program benefits. By providing financial support to meet state runoff standards for farms, DATCP cost-sharing helps farmers with the cost of compliance.

The economic impacts of installing conservation practices vary with each individual farmer and the type of practices involved. To receive cost-sharing, farmers usually pay 30% of the costs (10% in the case of economic hardship) to install a practice. Non-agricultural practices are capped at 50% cost-share. DATCP's efforts to expand its cost-share reserve offers limited options to install more costly practices.

In addition to incurring costs, landowners also must adjust their management routines to meet government cost-share requirements. With these changes, farmers face new risks including potential for reduced productivity and reduced profits. Farmers implementing these practices, however, may also see long-term benefits including savings on the cost of fertilizer, improving soil health leading to more productive soils, and reduced liability for environmental problems.

From the standpoint of local economies, grant funds will generate demand for the purchase of goods and services to design, install and maintain conservation practices. The farm-related businesses listed in IV.A. will directly profit from this increased demand.

Socially, DATCP allocations provide needed support for the farming community and others as they take an active role in the protection and preservation of natural and agricultural resources. Through the increased adoption of conservation measures, farmers and other landowners can ensure continued acceptance by rural communities as responsible and conscientious neighbors. Improved water quality both enhances recreational opportunities and protects the scenic rural landscape, both of which are features essential to tourism.

VI. Controversial Issues Associated with the Proposed Action

For the 2021-2023 biennium, SWRM grants program will benefit from funding increases in key areas. DATCP's annual appropriation for staffing grants was raised closer to the statutory goal than it has been since 2001. DATCP awarded \$11.03 million in staffing grants, an increase of approximately \$1.63 million. However in 2022, DATCP will still fall \$2.4 million short of meeting the statutory goal of funding an average of three county staff at the rate of 100, 70 and 50 percent. As noted below, increased county staff may be a key element in making important gains in conservation practice implementation. It may be necessary to look at alternative ways to pay for field staff to support farmers with management intensive practices such as nutrient management.

Funding for nutrient management (NM) grants and related expenditures decreased from a program high in 2018-2019, and focus is shifting towards implementing nutrient management plans by initiating cropping practices such as cover crops and no-till planting. DATCP has a responsibility to consider how best to spend this funding to promote NM implementation. Counties have had adequate funds to meet their needs for cost-sharing. A narrow focus on NM cost-sharing overlooks other opportunities that may be more effective in promoting NM. There has also been increased interest in farmer training. Counties have expressed interest in having access to resources other than cost-sharing to further implementation, impacting the idea which has become the Innovation Grant opportunity in 2021. Innovation grant applications have been solicited from counties for 2022, with requests for harvestable buffers and other practices which can be used to implement the recommendations of nutrient management plans. Alternative cropping projects are also a feature, again, looking for ways to incorporate the nutrient management plans' recommendations.

While understandable from the standpoint of concerns about increased debt service, the decision to retain the same funding for bond cost-sharing fails to meet current program needs. While the \$7.0 million authorization for bond cost-sharing has not increased since 2002, landowner costs for practices have increased for number of reasons:

- A significant jump in costs of material for construction of engineered practices in the last 5-10 years (e.g. a 60 percent increase in both excavation costs to \$3.50 per cubic yard and concrete costs to \$125 per cubic yard).
- Greater conservation responsibilities requiring farmers to install more conservation practices. For example, DNR adopted new performance standards in 2011 and 2018 and DATCP tightened manure spreading restrictions.

The unmet needs for cost-sharing engineered practices may call for creative solutions including the expanded use of SEG funds to pay for these practices. Increases in conservation spending are much needed and long overdue; however, the main source of funding for these conservation activities is inadequate to support more spending. A better supported and more sustainable source of funding is necessary to tackle our conservation challenges.

VII. Possible Alternatives to the Proposed Action

A. Take No Action

Taking no action on the proposed allocations is inconsistent with legal requirements. DATCP and DNR are statutorily mandated to provide grant assistance for their respective programs through an annual allocation as long as the state appropriates the necessary funds.

B. Delay Action

DATCP is under legal obligation to make an annual allocation within a specific timetable. Furthermore, there is no financial justification for a delay since the funding is available. Delaying the grant allocation runs the risk of hampering counties in meeting their legal responsibilities, including their contractual responsibilities to landowners, and undermines the significant environmental, economic, and social benefits of the program.

C. Decrease the Level of Activity

Decreasing the allocations would reduce environmental benefits, impede local program delivery, is not warranted based on the available funding for DATCP programs and would be inconsistent with legislative intent to implement the nonpoint pollution control program. Therefore, this is an undesirable choice.

D. Increase the Level of Activity

Available appropriations and authorizations determine the overall level of activity. However, subject to the factors discussed in E. below, DATCP may increase the allocation in a given project category to better target spending to achieve desired conservation benefits and further legislative objectives.

E. Change the Amounts Allocated to Some or All Recipients

The awards made in the allocation plan are based on specific grant criteria that reflect a weighing and balancing of competing priorities and demands. The allocation plan is intended to implement ch. ATCP 50 and legislative directives regarding allocation of grant funds. It also reflects the input and consensus of the counties on funding issues. Changes in individual awards cannot be made without upsetting the weighing and balancing used to develop the overall allocation plan, and would unfairly deviate from grant criteria announced as part of the grant application.

VIII. Mitigation of Adverse Environmental Effects

Overall, the allocations are anticipated to have positive environmental effects. Any adverse environmental effects will be of a secondary and minor nature, and can be mitigated. DATCP minimizes adverse impacts through construction runoff control requirements, outreach and training, and improvements in the technical standards.

IX. Final Determination

This assessment finds that the *2022 Final Allocation Plan* will have no significant negative environmental impact and is not a major state action significantly affecting the quality of the human environment. No environmental impact statement is necessary under s. 1.11(2), Stats.

Date 17 September 2021 By *Susan Mockert*
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The decision indicating that this document is in compliance with s. 1.11, Stats., is not final until certified by the Administrator of the Agricultural Resource Management Division.

Date Sept. 22, 2021 By *Sara Walling*
Sara Walling, Administrator
Agricultural Resource Management Division